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# USAID/LEBANON LEBANON INDUSTRY VALUE CHAIN DEVELOPMENT (LIVCD) PROJECT

LIVCD QUARTERLY PROGRESS REPORT - YEAR 2, QUARTER 1  
OCTOBER 1<sup>ST</sup> TO DECEMBER 31<sup>ST</sup>, 2013 – Q1

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# INTRODUCTION

## PROGRAM OVERVIEW AND OBJECTIVES

The LIVCD Project aims to increase the competitiveness of eight selected value chains. Activities will expand the number of Micro and Small and Medium Enterprises (MSMEs) that can compete in selected markets; improve linkages between those firms and other actors throughout the value chain; increase the gross value of products and services in local and export markets, and expand exports. The net effect of these activities will contribute to improved economic stability and food security for Lebanon, especially in rural areas, and decrease migration from rural to urban areas. Building on recent support to the rural sector through agricultural and other related economic development projects, LIVCD partners with local private sector companies to work in eight selected value chains that have the potential to compete in regional and international markets. It is expected that by the end of the project in September 2017, as a result of project interventions, the following results will be achieved:

- A minimum of seven fully functioning, competitive value chains.
- An increase of at least 700 businesses or micro-enterprises benefiting from horizontal and vertical linkages.
- At least 12,000 small and medium commercial growers benefiting from the dissemination of improved production and post-harvest technologies.
- At least 30 new export markets, niche markets, or distribution channels for selected value chain products.
- An annual increase of at least 10 percent in the volume and value of exported agricultural products of selected value chains for each value chain. If, for some value chains actual and potential export is limited, displacing imports with domestic production may be considered.

## OVERVIEW OF QUARTERLY REPORT

This fifth quarterly report documents project activities from October 1<sup>st</sup> to December 31<sup>st</sup>, 2013.

**Section One** gives an overview of the implementation progress in each of the selected value chains and cross-cutting components based on the approved work plan activities. LIVCD implements activities in order to increase exports, access new markets, improve the quality and

quantity of products, and generate additional revenue for beneficiaries for each of the value chains: Floriculture, Grapes, Olive Oil, Pome Fruits, Processed Foods, Rural Basket including honey, Rural Tourism, and Stone Fruits. The team also conducts several cross-cutting value chain activities, related to Capacity Building, Access to Finance, Communications, and Market Intelligence. This report summarizes the major grants, co-investments, and public-private partnerships (PPPs) initiated during the quarter. PPP, grants and co-investment target Lebanese host communities impacted by the Syrian crisis.

**Section Two** provides a progress overview of the major indicators for the project. It includes information on the number of new markets and channels reached, number of MSMEs benefiting from linkages and assisted by LIVCD, number of public-private partnerships created, and value of investment leveraged.

**Section three** examines the emerging challenges and opportunities from this quarter's implementation that may affect how the approved LIVCD Work Plan (Life of Project and Year One and Two 18 Month Work Plan April 2013- September 2014) activities will be carried out in ensuing quarters.

**Section four** provides an overview of the key activities and expected results for next quarter's implementation.

**Finally, section five** summarizes administrative operations including recruitment and major procurements, as well as key deliverables shared with USAID.

# I.0 IMPLEMENTATION PHASE

## 2.1 IMPLEMENTATION OF WORK PLAN ACTIVITIES IN THE VALUE CHAINS

Following the assessment phase from October 2012 to April 2013 that resulted in the selection of the final eight value chains, LIVCD developed, based on the upgrading strategies from the assessment reports, the LIVCD Work Plan (Life of Project and Year One and Two 18 Month Work Plan April 2013- September 2014) that was approved by USAID on August 30<sup>th</sup> 2013. In addition, LIVCD submitted its Monitoring & Evaluation Plan to Social Impact on September 20<sup>th</sup>, and after comments and suggested, received USAID approval for it on January 13<sup>th</sup>, 2014.

LIVCD partners with stakeholders from each value chain, including private companies, cooperatives and NGOs, through grants, co-investments, PPPs and Public Private Alliances (PPAs). LIVCD signed several Development Agreements with municipalities and private partners for future collaboration on a set of activities related to a region or an activity, such as the initiation of demonstration plots. Furthermore, LIVCD, in particular within the Rural Basket value chain, emphasized reaching out to small households in host communities for Syrian refugees, through several grants.

LIVCD understands that while the project remains end-market oriented aimed at improving competitiveness within the value chains, its objectives must be reconciled with USAID's Feed the Future development objectives and USAID Lebanon's goal of supporting host communities.

In addition, based on the discussions with USAID while preparing the LIVCD Work Plan (Life of Project and Year One and Two 18 Month Work Plan April 2013- September 2014), LIVCD attempts to balance fast impact activities with activities that will achieve greater impact in the future. The former types of activities will result in a rapid increase in revenues through improved production practices and new technologies such as pruning and irrigation. In parallel, those activities that achieve significant results in the future include examples such as introducing new varieties. Work plan implementation reflects a balance between activities with short term and immediate results, specifically in host communities affected by the Syrian crisis, and activities with longer term impact, such as interventions on products' varieties and competitiveness.

LIVCD also emphasizes interventions with the potential for scaling up and replicating initiatives to leverage additional funds from the private sector. LIVCD is also mindful of USAID's focus on Science, Technology, and Innovation Partnerships (STIP) projects. An example of this is linking

National Instruments with a food processor to develop an innovative and high tech means of sorting cucumbers. LIVCD also coordinated with other USAID projects, specifically in the rural tourism value chain. LIVCD is partnering with Lebanon Mountain Trail, Lebanon Reforestation Initiative, and Beyond Beirut, in this value chain. Partnering with these organizations leads to a sustainable value chain while capitalizing on previous and current USAID funding.

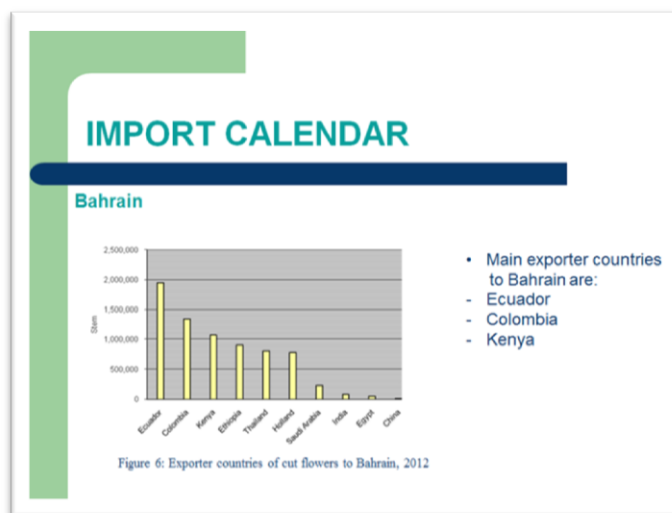
The following section describes the major highlights in each of the selected value chains: Floriculture, Grapes, Olive Oil, Pome Fruits, Processed Foods, Rural Basket including honey, Rural Tourism, and Stone Fruits, as well as the four cross-cutting components of Access to Finance, Institutional Capacity Building, Communications and Market Intelligence. It includes a summary of the key activities and achievements based on the activities and tasks from the approved work plan.

## 2.1.2 FLORICULTURE

Axis I	Develop marketing strategy and expand upon market linkages in export markets, as well as linkages between producers and retailers in the domestic market to help producers capture higher prices	Status update for this quarter
	<b>EXPORT MARKET</b>	
<b>Activity 1.1</b>	<p><b>Gather market intelligence and analysis of key target markets for exports</b></p> <p>Gather market intelligence and develop a market strategy</p>	<p>LIVCD finalized the report prepared by the expert in floricultural marketing and production which included actionable market intelligence, advice and support to the LIVCD project and partners on the floricultural sector in GCC countries in particular Abu Dhabi, Dubai, Qatar, and KSA, and Lebanon. The size of floricultural sector is relatively small, Qatar: 5 million Euros, UAE: 0.75 million Euros, given the high level of competition. In addition, the targeted number of beneficiaries in Lebanon is also relatively small. Next quarter, based on decisions taken regarding this value chain, LIVCD will develop a marketing plan targeting the project's objectives, to identify windows of opportunities and develop local and export sales strategies that include plants with high sales potential, price levels and potential market channels and buyers in each target</p>
<b>Activity 1.2</b>	<b>Share export market analysis findings with producers and exporters and build their capacity in reaching these markets</b>	Pending LIVCD decision on Floriculture value chain
<b>Activity 1.3</b>	<b>Facilitate increased presence of Lebanese exporters at international floriculture trade events</b>	Pending LIVCD decision on Floriculture value chain
<b>Activity 1.4</b>	<b>Build linkages between producers and exporters</b>	Pending LIVCD decision on Floriculture value chain
<b>Activity 1.5</b>	<b>Support promotional campaigns in export markets</b>	Pending LIVCD decision on Floriculture value chain
<b>Activity 1.6</b>	<b>Facilitate upgrading cold storage facilities at the Beirut airport</b>	Pending LIVCD decision on Floriculture value chain



	<b>DOMESTIC MARKET</b>	
<b>Activity 1.7</b>	<b>Improve linkages between producers and market channels in the domestic market to help producers capture higher prices</b>	Pending LIVCD decision on Floriculture value chain
<b>Axis 2</b>	<b>Axis 2: Improve quantity and quality of flowers produced by small and medium-scale floriculturists</b>	
<b>Activity 2.1</b>	<b>Identify and enroll farmers, business, and ancillary service providers</b>	Pending LIVCD decision on Floriculture value chain
<b>Activity 2.2</b>	<b>Improvements at the nursery level</b>	Pending LIVCD decision on Floriculture value chain
<b>Activity 2.3</b>	<b>Improvements at the production and post-harvest level</b>	Pending LIVCD decision on Floriculture value chain
<b>Activity 2.4</b>	<b>Support Identifying and commercializing viable indigenous flower species</b>	Pending LIVCD decision on Floriculture value chain



Results on the floriculture sector showed a relatively small size in export markets: Qatar: 5 million Euros, UAE: 0.75 million Euros, given the high level of competition

### 2.1.3. GRAPES

	Approved Work Plan activities	Status update for this quarter
<b>Axis I</b>	<b>Determine high value target markets, varieties, market requirements, and support farmers and exporters in entering these markets</b>	
<b>Activity 1.1</b>	<p><b>Determine appropriate target markets</b></p> <p>Identify Target Markets: Study the different potential markets which include all European countries, GCC markets, Sudan, and Asian markets, especially those that have already been successfully accessed by the pioneer vertically integrated exporters/packers</p> <p>Identify in target markets, existing trade channels and consumer/shopper trends</p> <p>Identify regulatory requirements and market barriers</p>	<p>The target markets are the markets successfully accessed by the pioneers such as Medigardens; the markets identified are as follows: In Europe, the UK, Holland and Germany; In Africa, mainly Sudan; In the GCC countries, KSA, UAE, Kuwait, Qatar, Oman, Egypt, and Iraq. LIVCD identified wholesale market importers such as Dole and Del Monte who work for major supermarket chains and who will purchase with firm fixed price orders from exporters who have an established quality track record. Over the past five years, an increasing percentage of Lebanese grape exports are being channeled through this channel. In addition LIVCD identified major supermarkets such as Tesco and Sainsburg in the UK and Carrefour in GCC markets. LIVCD compiled Sainsburg and Tesco requirements for table grapes including specifications for pesticides residues</p>
<b>Activity 1.2</b>	<p><b>Determine appropriate varieties for the selected target markets that can successfully be grown in Lebanon</b></p> <p>In the identified target markets, study consumer demands for the different varieties of grapes, wholesale and retail prices, market trends, competing countries and their export windows</p> <p>Ascertain the suitability of potential varieties within the different micro climates of Lebanon and how the harvest calendar matches targeted markets</p>	<p>LIVCD identified the varieties for the European and GCC markets, in particular new varieties requested in the high value exports markets which are patent varieties.</p> <p>In the next quarter, LIVCD will pursue defining the micro climates for the new plantations and will draft a harvest calendar to match the targeted markets.</p>
<b>Activity 1.3</b>	<b>Collaborate with the private sector and create PPPs to increase availability of varieties that have demand in high value markets in the appropriate regions</b>	<ul style="list-style-type: none"> <li>Stimulating investment in new variety grape orchards demanded in high value markets: LIVCD developed three proposals to co-invest with</li> </ul>

	<p>Create RFPs or similar mechanisms to solicit proposals from private sector companies to co-invest with LIVCD to grow the grapes VC</p> <p>Support famers in accessing finance to upgrade their farms- Collaborate with LIM</p> <p>Co-finance introduction of new varieties in new plots and/or replacement of old varieties- Insure supply of certified new varieties</p>	<p>exporters. The co-investments with the exporters and farmers with whom they have relationships will result in at least 45 hectares of new grape plantations in high value varieties that are in demand in export markets. The proposed applications and budgets for these proposals were partially approved by USAID.</p> <ul style="list-style-type: none"> <li>LIVCD also published two RFPs for 'Grapes irrigation pipes, columns and wires' and 'Technical Supervision of Farmers for New Grape Varieties' to ensure that medium and small farmers in targeted areas have access to timely and quality pre-harvest and post-harvest techniques and technologies necessary to improve the quality of grapes to reach high value markets. LIVCD started evaluating the proposals received.</li> </ul>
Task 1.3.I	Solicit proposals and gauge interest from private sector companies to facilitate co-investments using the most appropriate mechanisms	Prepared a prospectus for potential investors in the value chain, based on several financial projections and return on investment calculations.
<b>Activity 1.4</b>	<b>Insure compliance with good agricultural practices</b>	Planned for upcoming quarters
<b>Axis 2</b>	<b>Improve vertical and horizontal linkages across the value chain</b>	
<b>Activity 2.1</b>	<p><b>Develop improved vertical linkages between farmers and packers/exporters through collaboration with the private sector to upgrade skills of small and medium scale farmers</b></p> <p>Identify small and medium farmers that are interested in working with packers/exporters, and local retailers</p> <p>Link small and medium farmers organized within coops or through lead farmers to exporters/packers</p> <p>Formalize collaboration between farmers and exporters through contracts</p> <p>Improve collaboration between input suppliers and farmers</p> <p>Improve production and harvesting practices by training farmers and the foremen of harvesting crews on proper production and harvesting procedures following quality protocols established by the packer/exporter</p>	Through the co-investments mentioned above, LIVCD and the lead farmers partners identified satellite farmers. Technical assistance will be initiated next quarter upon approval of this collaboration.

<b>Activity 2.2</b>	<b>Spur the development of improved horizontal linkages among small and medium farmers</b>	Planned for upcoming quarters
<b>Activity 2.3</b>	<b>Encourage the adoption of improved production practices</b>	Planned for upcoming quarters
<b>Activity 2.4</b>	<b>Link farmers with processors</b>	Planned for upcoming quarters
<b>Axis 3</b>	<b>Increase sales to high value markets by working with farmers and packers/exporters to extend the shelf life of grapes through improved harvest, handling, and packaging</b> Train farmers on best harvest and post-harvest practices and insure along with exporters, the implementation of these practices. Train packers on best cold storage practices	Through the co-investments mentioned above, LIVCD and the lead farmers partners will initiate training and seminars to improve the best harvest, post-harvest, and cold storage practices next quarter

## 2.1.4. OLIVE OIL

	Approved Work Plan activities	Status update for this quarter
Axis 1	Create new market incentives favoring Lebanese olive oil through the use of a seal of quality and origin	
Activity 1.1	Hold stakeholder consultations to create consensus on a labeling strategy and facilitate stakeholders' acquisition of established/adopted labeling scheme	<ul style="list-style-type: none"> <li>LIVCD met with key bottlers and mill owners to obtain feedback and secure a preliminary approval on the adoption of such a labeling strategy. The bottlers, mill owners, and brand owners met with include: Willani SARL, Atyab SARL, Olive Trade, Nicholas Fares and Sons, Dar Bechtar cooperative, and ILDES mill.</li> <li>LIVCD also met with quality control and certification companies to assess the optimal certification scheme guaranteeing quality and origin of the olive oil, of which Bureau Veritas and IMC.</li> </ul>
Activity 1.2	<p>Facilitate the launch of a promotional campaign in key markets overseas and domestically to increase sales of Lebanese olive oil</p> <p>Facilitate increased access to markets through providing marketing and promotional support to increase sales of Lebanese olive oil at the domestic and export level</p>	<p>A Joint product promotion project was launched at the end of September as a co-investment between LIVCD and Willani SARL. The project aims to increase exports of Lebanese extra virgin olive oil, sourcing olives from 150 small and medium producers in Zgharta and Koura, and facilitating access to the U.S. market. The assistance supports LIVCD's overall strategy of improving small and medium-scale olive producers' access to markets and increasing market demand for Lebanese olive oil.</p> <p>The agreement includes distributing promotional samples to at least two hundred retailers and distributors in the North-East U.S., through Sweet Delight Delicacies (SDD), a U.S.-based food manufacturing and distribution company. The co-investment also includes LIVCD marketing assistance in upgrading packaging and labeling. As a direct result of this initiative, exports to the U.S. will increase by nearly \$180,000 over the next year. At the end of December, the first container was exported to the U.S. market and will be distributed to ethnic markets, small distributors, and restaurants. The initial feedback on the oil quality and taste is positive.</p>
Axis 2	Facilitate increased investments and improvements in quality of olive oil through improved standardization of olive milling and storage	

<b>Activity 2.1</b>	<b>Support improvements in processing at mills</b>	
Task 2.1.1	Identify quality focused mills and assess gaps in order to develop a plan to address gaps and potential improvements to increase extra virgin output	<ul style="list-style-type: none"> <li>• LIVCD conducted gap analyses of mills, the facilities of APS applicants, and those of other potential partners as a critical step in identifying their eligibility for LIVCD's assistance and to determine the type of assistance required.</li> <li>• Local International Co. a milling and bottling enterprise based in Kfeir, Hasbaya, submitted an Expression of Interest (EOI) to engage in a partnership to upgrade its milling line and facilities. LIVCD is evaluating the exact needs of the applicant including the technical and cost requirements prior to moving forward.</li> </ul>
Task 2.1.2	Establish vertical linkages between improved mills and medium to large scale farmers and bottlers	Following the implementation of the mechanical harvesting program (see Activity 3.1 below) a successful business linkage was established between 21 farmers that took part in the harvesting program that sold 1.3 tons of extra virgin olive oil to Atyab SARL that owns a leading olive oil brand in Lebanon.
<b>Activity 2.2</b>	<b>Facilitate identifying and supporting centers for improved olive oil storage and collection</b>	Planned for next quarter
<b>Axis 3</b>	<b>Improve olive oil productivity</b>	
<b>Activity 3.1</b>	<b>Facilitate support for local production service centers to improve olive tree productivity</b>	<ul style="list-style-type: none"> <li>• Mechanical harvesters program: LIVCD implemented a pilot project in the North of Lebanon to increase the competitiveness of olive producers through the reduction of harvesting costs by using mechanical harvesters. Six agricultural cooperatives offered mechanical harvesting services to 239 olive growers harvesting approximately 240 tons of olives and saving \$49,200 in harvesting costs for the growers. Moreover LIVCD built the capacity of the cooperatives by providing training in project and business management and through providing close follow up on the program implementation in order to ensure adequate management and sustainability.</li> <li>• Several EOIs were submitted by potential production service centers requesting assistance to implement activities aiming to improve the productivity of olive orchards in various production zones. LIVCD is assessing the requests received and is constantly looking to apply a value chain approach that involves several stakeholders within each potential</li> </ul>

		project.
<b>Activity 3.2</b>	<b>Link the service centers with universities or agricultural training schools to offer practical training on olive production to students</b>	Planned for next quarter



The first container under the Joint Product Promotion co-investment with Willani SARL was shipped to the US with \$45,700 worth of Extra Virgin Olive Oil



Demonstration training on usage of mechanical harvesters for cooperatives in Douma, Batroun



In Der Behtar, USAID discussed the benefits of the mechanical harvester program in reducing costs with the Cooperative's members

## 2.1.5 POME FRUIT

	Approved Work Plan activities	Status update for this quarter
Axis I	Respond to growing regional market by supporting Lebanese exporters to develop contacts, linkages, trade and analytical capacity to react to export market opportunities	
Activity 1.1	Create business and market linkages between farmers, exporters and food processors	<ul style="list-style-type: none"> <li>• <b>LITAT Group:</b> LIVCD met representatives Abdul Karim Al Rifai, Head of Business Development and Pia Attar, Investment Analyst, to discuss supporting Lebanese apple producers in exporting and processing their apples, as part of the group's social responsibility objective. The company is interested in helping establish market linkages and distribution for apples, as well as pears, cherries, and grapes, in Ukraine and Egypt. LIVCD is working on identifying potential producers, packers, and cold storage facilities that can reliably provide Grade 1 and 2 apples. LIVCD will also assess the export market in specific countries and, in collaboration with LITAT Group, will design a strategy for supporting production and marketing.</li> <li>• <b>Barouk Cooperative's export to the U.K.:</b> Since July, LIVCD has been coordinating with Wadih Takla from Equitable Gourmet, an importing company based in the U.K, to link the brand with local Lebanese producers. Recently, LIVCD established a linkage with the Barouk Cooperative, to facilitate sales to the U.K. market of apples and apple and quince molasses. Equitable Gourmet plans on importing a first order of this product in early January, and has placed a trial order of 360 bottles of 250 ml of apple and quince molasses.</li> </ul>
Activity 1.2	Support exporters to develop strategic linkages with export market in the GCC	Planned for the upcoming quarters
Activity 1.3	Develop market analyses and provide training on	Planned for the upcoming quarters



	market analyses and market identification	
Activity 1.4	Facilitate and support actors adopting, upgrading, or establishing quality and origin seals and promote the seal locally and internationally; Identify a regulation body to implement the quality and safety seal	Planned for the upcoming next quarters
Axis 2	Increase efficiency of sorting, packing, and cooling facilities	
Activity 2.1	Encourage investment in upgrading post-harvest units	Planned for next quarter
Axis 3	Support and promote small and medium processing operations	
Activity 3.1	Develop business linkages between producers and processors	LIVCD has established a linkage between apple producers and the Barouk Cooperative in order to meet the demand of apple molasses for the UK market.
Activity 3.2	Provide technical support in packaging, branding, and labeling	<b>Barouk Cooperative:</b> Following the export market opportunity to the UK, though Equitable Gourmet, LIVCD supported the Cooperative, which lacked the nutrition facts and standardized recipes. LIVCD provided technical assistance in developing standardized recipes for apple and quince molasses. The U.K. importer placed a trial order for 360 bottles.
Activity 3.3	Support diversification in apple/pear processing such as fresh juice, mixed juice, fruit puree, concentrates, and molasses	As part of the exporting opportunity to the UK market, LIVCD supported the Barouk Cooperative in its production process of apple molasses. LIVCD will pursue this activity next quarter.
Activity 3.4	Explore opportunities to upgrade production facilities	Planned for next quarter
Activity 3.5	Assist processing facilities to require need quality and origin certificates	Planned for next quarter
Activity 3.6	Link processors to appropriate financial institutions	Planned for next quarter
Axis 4	Work with lead partners to oversee regionally specific programs on improved productivity	
Activity 4.1	Increase production of Grade "A" Apples/Pears Establish demonstration plots in major apple/pear production areas to illustrate examples of technological	LIVCD signed development agreements for demonstration plots with Emile and Joseph Skaff in the Bekaa and Ramzi el Sheikh in Zaarour, and is finalizing two development agreements for additional plots. These

	<p>change: Donnieh, Akkar, Becharreh, Tannourine, Aoura, Kessourwan, Maten, Chouf, Jezzine and Central, Western and North Bekaa</p> <p>Introduce new tree varieties into the established demonstration plots based on market demand, in addition to existing trees varieties through selected partners who will sustainably manage the demonstration plots and identify local and International experts in IPM for pome fruit orchards</p> <p>Introduce new tree varieties into the established demonstration plots- based on market demand</p> <p>Organize farmer study tours to established demonstration plots to observe the establishment and structure of the orchards</p>	<p>partnerships with land owners for demonstration plots will allow introducing new varieties, innovative production technologies, and good agriculture practices applied on this plot. LIVCD will organize training sessions on these plots for groups of farmers to be trained on these techniques.</p>
<b>Activity 4.2</b>	<b>Increase accessibility to quality seedlings</b>	Planned for next quarter
<b>Activity 4.3</b>	<p><b>Train Farmers on appropriate orchard management</b></p> <p>Develop training curriculum for farmers</p> <p>Conduct training on appropriate pruning for existing and newly introduced varieties, appropriate harvesting techniques and the usage of tools for best harvest timing (e.g. refractometer), and introduce irrigation and fertigation techniques</p>	<p>LIVCD, in collaboration with four experts, worked for the past five months on preparing an interactive targeted and tailored curriculum for the apple farmers, which is ready to be applied in the different regions. This quarter, LIVCD prepared and finalized the training material for the TOT training and the training of farmers in the apple value chain to be held in January, conducted by Making Cents' consultant Mariko Scavone, during five days.</p>
<b>Activity 4.4</b>	<b>Reduce climate impact on production quality and quantity</b>	Planned for next quarter
<b>Activity 4.5</b>	<p><b>Reduce cost of production and create economies of scale</b></p> <p>Support the establishment of producers groups around local integrated service centers that can be managed independently by farmers groups, NGOs, or integrated into packing and cooling facilities</p>	<p><b>Sannine Cooperative for Sustainable Agriculture (SCSA):</b> LIVCD conducted a full assessment of the Cooperative, and received official documentation related to transforming nine dunums of land into a demonstration plot. Both parties worked on a co-investment proposal for early 2014. The potential collaboration will focus on a nursery, an existing composting site, post-harvest methods, storage, among other items.</p>

Nutrition Facts	
Serving size 15ml (20g)	
Servings per Container About 17	
Amount per serving	
Calories 70	Calories from Fat 0
% Daily Value*	
Total Fat 0g	
	1 %
Saturated Fat 0 g	
	0 %
Trans Fat 0 g	
Cholesterol 0	
	0 %
Sodium 0 mg	
	0 %

LIVCD prepared the nutrition facts for apple and quince molasses, which will allow the Barouk Cooperative to export this product to the U.K. market



LIVCD identified Gaby and Setrak's apples and pears orchards in Ammiq for establishing demonstration plots



LIVCD signing a Development Agreements with Mr. Ramzi el Cheikh for a demonstration plot

## 2.1.6. PROCESSED FOODS

	Approved Work Plan activities	Status update this quarter
<b>Axis I</b>	<b>Provide needed market intelligence and help processors enter new markets and expand in existing ones</b>	
<b>Activity I.1</b>	<b>Determine appropriate target markets and market channels</b>	
Task I.1.1	Study the different potential markets, including GCC, Iraq, Europe, Russia, U.S., and South America. Identify in target markets, existing trade channels and consumer/shopper trends such as: ethical products, healthy products targeting aging population, free-from products, and natural products. Identify regulatory requirements and market barriers	LIVCD developed a market study on GCC countries and is planning a study for the U.S. market (please refer to the Market Intelligence section)
<b>Activity I.2</b>	<b>Determine appropriate products for the selected target markets that can be competitively produced in Lebanon and create market-entry strategies</b>	
Task I.2.2	Verify which Lebanese processors can, and are	LIVCD conducted a survey of food processors to identify which processors use

	interested to, produce the identified products	local raw material and fit the selection criteria for participating in activities.
<b>Activity 1.3</b>	<b>Support processors in developing products that meet market demand</b>	
Task 1.3.1	Conduct workshops to introduce processors to new products and their potential in different markets	Pending output of Task 1.1.1
Task 1.3.2	Train processors on proper methodology of product development	LIVCD is discussing with AUB potential support to provide workshops to processors in collaboration with SLFI.
Task 1.3.3	Create tasting panels and other necessary systems for product development	A rudimentary tasting panel was created in the LIVCD Beirut offices to evaluate Lebanese products in the market related to our value chains, in addition to some processors (Sesobel) who needed feedback on their products. Tastings evaluate several parameters (sensory evaluation, overview on labels and packaging, and overall acceptability). Apricot Jam, Quince Jam, Apricot Jam diet, Brizeles with Thyme, Olives, Stuffed olives, and Tapenades were evaluated. Additional products will be evaluated in the next quarter and further development of the taste panel may be completed in conjunction with AUB's Taste Panel Lab.
<b>Activity 1.4</b>	<b>Support processors in creating successful market linkages</b>	
Task 1.4.2	Link processors with brokers, importers and distributors and guide them through their communication and collaboration	LIVCD provided and will continue to provide technical assistance to Cortas to improve communication and manage distributors in order to improve performance. Similar training will be done for additional processors in collaboration with SLFI.
Task 1.4.3	Identify main trade shows in target markets and processors willing to invest in attending the shows; support processors in attending trade shows	LIVCD began a program of collaboration with Bank Audi to facilitate listing of food processors and coops on Bank Audi's E-Mall and a Development Agreement is being prepared. E-Mall is a web portal that provides consumers the ability to purchase items from their website and have them delivered world-wide. LIVCD determined that several processors have a high level of interest in being involved. LIVCD has also reached an initial agreement with Bank Audi to provide SLFI members with a substantial discount on listing costs and has agreed to promote the portal via marketing campaigns that will be planned with LIVCD's marketing team.
<b>Activity 1.5</b>	<b>Co-finance joint production promotion in target markets</b>	
<b>Axis 2</b>	<b>Support SLFI or another institution in establishing a market intelligence unit that serves the food processing industry</b>	
<b>Activity 2.1</b>	<b>Build the capacity of SLFI or other institution's management</b>	

Task 2.1.1	Identify current availability of marketing intelligence, from both formal and informal systems and public and private sources	<ul style="list-style-type: none"> <li>Processed food market study in the GCC: STTA Leon Agopian</li> </ul> <p>The goal of this study was to improve and increase exports sales to the GCC. The study gave a detailed analysis describing the size of the processed food category in the local market in value and volume, the main processors, brands, prices, margins, brands, distribution channels, all players by SKU, distribution channels, and market dynamics for each of the categories. The outcome of this study was shared with three processors for their feedback, and based on their comments the presentation will be updated and shared with a larger audience of Lebanese food industrialists- in collaboration with SLFI- to provide them with actionable information on exporting to the GCC. Following this presentation, a sector strategy will be developed based on the industrialists' feedback.</p> <ul style="list-style-type: none"> <li>Identifying an expert for a market study in the US:</li> </ul> <p>Several conference calls were exchanged with Studio Spears company (mainly Jeff Spears for marketing and Tom Chretien for Sales and linkages) to assess their ability to perform a market study for processed food in the U.S. market. The goal of the activity is to understand the specialty food sector in the U.S. focusing on market channels and products that are most suitable for the Lebanese food industry. The study will be used to increase exports of Lebanese processed foods to the U.S., mainly to the specialty food market segment</p>
Task 2.1.2	Explore supporting SLFI or other organization to become self-sustainable through the introduction of new value-added, paid services to members	Scheduled for next quarter
Task 2.1.3	Facilitate support to create strategies and activities to attract new membership through a good communication strategy and a membership drive	<p>LIVCD started conducting the following activities in partnership with SLFI:</p> <ul style="list-style-type: none"> <li>- Bank Audi discount to SLFI members on listing costs on the EMall portal (refer to Activity 1.4)</li> <li>- Introducing new pickling process to a group of industrialists (refer to section 3.1)</li> <li>- Qab Elias vocational school : LIVCD will identify gaps between pre-employment training and processors' needs ( refer to section 2.2)</li> </ul>
<b>Activity 2.2</b>	<b>Collaborate with the Qab Elias Vocational School</b>	
Task 2.2.1	Ensure proper and efficient utilization of available equipment and collaborate with processors to develop and produce products using the school's facilities	

Task 2.2.2	Link students with factories for apprenticeships, support students in job placement after graduation, and provide training to students	LIVCD planned for a consultancy with Making Cents in work force development to determine gaps between pre-employment training and the needs of processors. In a second phase LIVCD will support upgrading the curriculum.
<b>Axis 3</b>	<b>Help Lebanese food processors upgrade the value chain through improved efficiency and adherence to international food safety standards</b>	
<b>Activity 3.1</b>	<b>Improve productivity through better utilization of resources</b>	
Task 3.1.1	Facilitate in assisting processors in building capacity of their staff in all aspects of manufacturing operations- quality, maintenance, logistics, production management including KPIs, inventory management and constraint management	Planned for the training on Lean Manufacturing to increase competitiveness in Processed food sector. The first training planned is with Cortas in January. There will be several sessions. Similar training will be completed for interested processors in collaboration with SLFI.
Task 3.1.2	Facilitate support to select companies in developing Lean Sigma systems to maximize utilization of resources; equipment, labor, facilities, and material	First intervention is planned to be implemented at Cortas in the coming weeks.
Task 3.1.3	Facilitate financing, including PPPs when appropriate to support automation upgrades in manufacturing equipment	LIVCD linked National Instruments and Mechaalany to develop a high tech solution for the pickles sub-sector. In line with USAID's STIP (Science Technology and Innovation Partnership) program to address the most significant development challenges and opportunities in the processed food value chain, LIVCD organized a series of meetings attended by Mechaalany, National Instruments, a U.S. based multinational company (www.ni.com), and E**2, a local technology start-up company supported by AUB and established by AUB professors and graduate students. The parties studied the possibility to collaborate to create a high-tech solution that will improve Mechaalany's (and therefore the entire Lebanese pickling sector's) competitiveness in global markets and increase purchasing of local produce from rural areas. Mechaalany's pickles face a growing demand that its current production capacity cannot meet, due to several bottlenecks in the processing system. In an effort to meet this demand, the company needs to double its inspection and sorting rate, while improving quality, a result that can be achieved with mechanical/optical equipment. LIVCD will follow-up on this proposal opportunity in the coming weeks. There is the possibility of a co-investment. LIVCD contracted with an international pickles expert to introduce a new technology for pickle processing. The expert will come to Lebanon next quarter.
<b>Activity 3.2</b>	<b>Assist with facilitating processors in meeting international food safety requirements</b>	

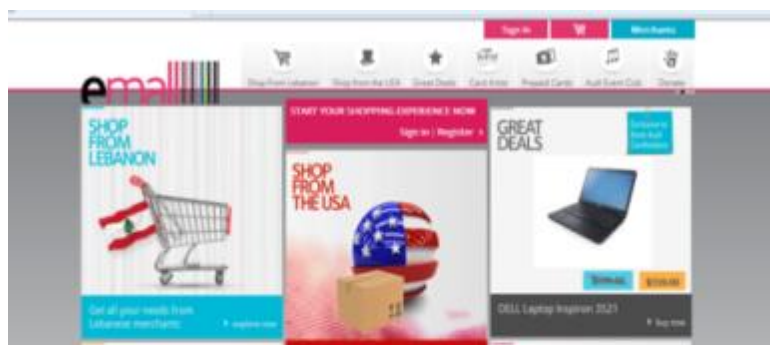
Task 3.2.1	Provide training and awareness sessions for food processors on food safety requirements	<p>Provided training and awareness sessions for the following:</p> <ul style="list-style-type: none"> <li>a) <b>Kaddoum Honey Packing House</b> (guidance and training to a new hire to implement international food safety systems)</li> <li>b) <b>Cedrus</b> (gap analysis regarding food safety )</li> <li>c) <b>Delta foods</b> (gap analysis regarding food safety )</li> <li>d) <b>Al-Nabil</b> (gap analysis regarding food safety )</li> <li>e) <b>Mymoune</b> (guided on implementing food safety systems based on gap analysis conducted during a previous USAID project)</li> <li>f) <b>AFDC</b> (gap analysis regarding food safety)</li> <li>g) LIVCD worked on developing quality seal components for olive oil and will provide training sessions on food safety requirements for olive oil producers</li> </ul>
Task 3.2.2	Assist in facilitating extension services in the implementation of GMPs , HACCP, and ISO 22000	Two companies were selected as potential contractors to provide extension services in the implementation of GMPs, HACCP, and ISO 22000.
Task 3.2.3	Support processors in accessing finance and facilitate co-investments, using PPPs when appropriate, to upgrade their facilities to meet international food safety standards	LIVCD provided access to finance to two processors, Mechaalany and Joseph Menhem, to upgrade their facilities to meet international food safety standards. Progress is pending based on their feedback.
Task 3.2.4	Improve access to USAID-supported laboratories in the regional chambers	<p>LIVCD conducted a survey on available tests in the Lebanese market: The survey provides a briefing on the available Lebanese laboratories and tests. LIVCD visited the laboratories discussed in this report and compiled information regarding the tests available for the different value chains, testing fees, the time frame for completing analyses, and the types of accreditation offered.</p> <p>One of the most pertinent results of this investigation is that most of these labs are accredited for their microbiological departments and they are currently working towards gaining accreditation for other tests. However, this survey revealed that many important tests relative to LIVCD value chains are not yet available in Lebanon.</p>
Task 3.2.5	Upgrade regional chamber labs to be able to perform required tests	Evaluation of demand and supply of laboratory tests will be conducted and finished in February 2014.
<b>Activity 3.3</b>	<b>Assist processors in meeting international food labeling requirements</b>	
Task 3.3.1	Review labels of selected exporting processors and provide recommendations for improvement	<p>Provided review and feedback on Labels for the following:</p> <p><b>A) Cortas Jams (four labels):</b> Cortas faced obstacles in the diet jam labels with the FDA and was unable to export these products due to label rejection. LIVCD reviewed the labels and provided feedback and corrections for these labels.</p>

		<p><b>B) Willani Olive oil</b> (one label): Provided label review to meet FDA standards so the company can export to the U.S.</p> <p><b>C) Lelo Olive oil</b> (one label): Provided label review to meet FDA standards to export to the U.S.</p>
Task 3.3.2	Support processors in developing food nutrition labels for target markets	<p>Supported processors in developing nutrition facts for the following:</p> <p><b>a) Jana al Ayadi Cooperative</b> based in Deir el Ahmar, produces jams, syrups, pickles and dairy products from fresh fruits and vegetables procured from local farmers. The products are in high demand and have the opportunity to reach international markets; however, Jana el Ayadi previously faced the challenge of meeting regulatory requirements for exporting to European, Canadian, and U.S. markets. LIVCD standardized and developed nutrition facts for 14 labels out of 29. In November, Jana el Ayadi received a large order for the French market of the above-mentioned products, that will increase the Cooperative's revenues along with farmers' from Deir el Ahmar producing the raw materials. Furthermore; LIVCD is currently working on finalizing the remaining 15 labels.</p> <p><b>b) Barouk Cooperative:</b> Please refer to Pome Fruit Axis 1.1</p>
<b>Axis 4</b>	<b>Increase participation of farmers, small firms, and cooperatives in the processed foods value chain</b>	
<b>Activity 4.1</b>	<b>Increase procurement of local produce</b>	
Task 4.1.1	Identify opportunities whereby direct procurement from farmers is advantageous to processors in terms of quality, price, and needed quantity	<p>LIVCD identified opportunities with processors interested in purchasing Lebanese raw materials from farmers such as Second House products, Aoun Foods, and Wadi Al Akhdar:</p> <ol style="list-style-type: none"> <li>1- <b><u>Linking Wadi al Akhdar with Willani to replace refined imported olive oil with Local Lebanese olive oil:</u></b> LIVCD collected olive oil samples from three different Lebanese olive oil bottlers and sent them to the University of California (UC) Davis for sensory evaluation and chemical testing. The results showed that only Willani truly has extra virgin olive oil. Results were shared with Wadi al Akhdar who also conducted the same tests in a different laboratory in Germany and verified UC Davis's results. In January, a meeting will be set to develop an agreement between Willani and Wadi Al Akhdar.</li> <li>2- <b><u>Linking Wadi al Akhdar with Afif Bou Chedid to replace imported honey with Local honey:</u></b> LIVCD collected honey samples from three</li> </ol>



		<p>different honey bottlers and sent them to Intertek Germany Laboratory for analytical chemical testing. The results showed that only Afif Bou Chedid met the required specifications (free of pesticides and antibiotics, not adulterated). Results was shared with Wadi al Akhdar who will be preparing a volume forecast and jar selection leading to the expansion of production of local honey being met in collaboration with APIS (please refer to the honey value chain for additional details.)</p> <p>3- <b><u>Linking second House Products and Aoun Foods with Lebanese farmers to replace imported Burghul, Anis and Freekeh with local raw materials:</u></b> LIVCD is currently identifying potential farmers and collecting samples for these raw materials to evaluate in terms of quality and safety before sharing it with processors.</p>
Task 4.1.2	Identify farmers with the capacity and interest in growing identified crops and assist in establishing linkages between processors and potential farmers capable of meeting identified opportunities	LIVCD is currently identifying potential farmers and collecting samples for these raw materials to evaluate in terms of quality and safety before sharing it with processors. A meeting was held with Mr. Abdallah Hanna of Skaff Farms in Bekaa who is highly interested in planting frikeh. LIVCD will develop an action plan on how to develop the frikeh process.
Task 4.1.3	Assist both sides in reaching contractual agreements to secure the rights of each party and provide both sides technical and managerial support to ensure successful linkages	
Task 4.1.4	Support farmers in collaboration with processors to access financial services	
Task 4.1.5	Help processors develop new products that utilize oversupply of fruits and vegetables such as grapes (molasses, raisins, chocolate covered), cherries (dried and chocolate covered), apples (molasses and chips)	
<b>Activity 4.2</b>	<b>Support the development of joint ventures between cooperatives and micro-processors on one side and brand owners on the other</b>	
Task 4.2.1	Identify products produced by cooperatives and small processors that can be successfully marketed by large brand owners	

Task 4.2.2	Where economically advantageous, encourage contract manufacturing arrangements between micro-processors and cooperatives on one side and medium and large processors on the other side	LIVCD provided training and is developing co-investments and grants to two organizations, Jana Al Ayadi and Caritas. Both these entities intend to increase production and improve quality and competitiveness in products they supply to processors.
<b>Axis 5</b>	<b>Promote new investments in the processed food value chain in rural areas with appropriate partners to upgrade the value chain</b>	
<b>Activity 5.1</b>	<b>Identify underutilized donor-funded equipment and cooperatives or other entities that can benefit from the equipment and maximize their utilization</b>	
Task 5.1.1	Perform a survey of all processing equipment and facilities available in rural areas that have been donated or purchased by donor-supported projects- especially USAID-funded projects, and identify underutilized resources	For this activity; LIVCD is conducting a survey on cooperatives in Lebanon (Bekaa, South, and North) to identify underutilized resources and the status of each organization. <b>South Coop Assessment</b> : Identified 27 cooperatives; 24 were assessed <b>North Coop Assessment</b> : identified 56 cooperatives; 13 were assessed <b>Bekaa Coop Assessment</b> : currently identifying cooperatives
Task 5.1.2	For each identified piece of equipment or infrastructure, and where possible, create plans to increase the utilization based on equipment and facility condition and need by other cooperatives or MSMEs	Related to cooperative assessment report task 5.1.1
<b>Activity 5.2</b>	<b>Use PPPs to co-invest in rural areas requiring processing equipment to supply partners with demanded products</b>	
Task 5.2.1	Collaborate with medium and large processors to determine their interest in co-investing in equipment for small and micro-processors in rural areas	In discussions with processors, some indicated interest in co-investing in rural areas if they can get the right quality and price. These include: Cortas, Wadi Akhdar, and Aoun Foods.
Task 5.2.2	Develop feasibility studies to justify the investment in equipment	



Bank Audi's E-Mall website will allow Lebanese Food processors selling their products worldwide

As part of its survey on cooperatives to identify underutilized resources, LIVCD visited the Casur project in Tyr which owns a packing, grading and sorting facility currently inactive, and could be used by exporters in the South.

## 2.1.7. RURAL BASKET: HONEY

	Approved Work plan Activities	Status update for this quarter
Axis I	Sustain and increase production of honey flowing into the branded channels through improved linkages between commercial branded honey processors/exporters and small beekeepers	
Activity 1.1	<p><b>Facilitate technical assistance and training to beekeepers through extension service providers and value chain actors including cooperatives</b></p> <p>Identify business and ancillary service providers to deliver services to value chain participants Identify and enroll small rural beekeepers and provide technical assistance and training to 2,500 beekeepers in honey production</p>	Dr. Chadi Hosri and Dr. Dani Obeid, two honey experts, are developing a manual to train around 30 beekeepers from eight different beekeeping cooperatives, which in turn will provide training to around 2,500 new and existing beekeepers. The training is planned to take place in March 2014. The curriculum includes five main topics dedicated to either beginners or advanced beekeepers: 1) Managing beehives and products; 2) Increasing production; 3) Raising queen bees; 4) Identifying and combatting diseases; and 5) New strategies to increase beekeepers' revenues.

<b>Activity 1.2</b>	<p><b>Expand the number of hives in production by small and medium beekeepers</b></p> <p>Develop and implement activities to target identified needs providing equal opportunities for all beekeepers and beneficiaries such as breeding activities</p> <p>Expand the number of hives in production by small and medium beekeepers; Promote the entry of 500 new beekeepers into honey production</p> <p>Facilitate co-investments and PPPs where appropriate for investments in hives and equipment</p> <p>Identify, enroll, and organize business and ancillary service providers for participation in the project and delivery of services to value chain participants</p>	<ul style="list-style-type: none"> <li>• Co-investment with Caritas: This project under development with Caritas will provide 10 beehives to 150 beekeepers living in selected rural areas of Bekaa and the South regions allowing increased production and improving their revenues. The proposal includes five new beekeepers and 10 female beekeepers.</li> <li>• Strengthen the Development Cooperative of Jezzine: This co-investment was approved by USAID on November 29<sup>th</sup>, and aims at providing income-generating opportunities for 40 small and medium beekeepers in the rural areas of Jezzine, through co-investing in 10 beehives per beekeeper. The cooperative and LIVCD developed the list of beekeepers who will participate in the program.</li> <li>• Apiculture for Protection and Improvement of Society- APIS partnership: LIVCD is drafting the proposal for a co-investment to provide 100 small and medium beekeepers located in the rural areas of Mount Lebanon, Keserwan, and Byblos with beehives, technical training, and access to market, in order to increase production and sales of honey. 'Supporting Families through Beekeeping' in Akkar: This grant, initiated in April 2013 and implemented by Caritas, provided 130 small beekeepers in 12 villages from host communities in Akkar with inputs, including 500 hives, and 100 sets of beekeeping equipment. As a result of this grant, some of the beekeepers collected up to 20 kg of honey per hive, while others collected two to five kilos based on factors such as experience and oversight.</li> </ul>
<b>Axis 2</b>	<b>Strengthen key actors in the domestic branded honey market segment</b>	
<b>Activity 2.1</b>	<p><b>Facilitate market linkages for beekeepers and commercial honey brands</b></p> <p>Identify commercial brands to support with technical assistance</p> <p>Build a data base of major processors and aggregators presenting potential to be enrolled</p> <p>Identify beekeepers to supply local brands</p> <p>Build linkages between the producers and commercial brands</p>	<ul style="list-style-type: none"> <li>• A leading commercial brand is looking to source around 50 to 100 tons of Lebanese premium honey branded as premium Lebanese quality sourced from Lebanese beekeepers. Honey testing was done in Germany and one beekeeper, Afif Abou Chedid, met the required specifications. Afif Abou Chedid will work with other beekeepers to meet the required volume. Many of those additional beekeepers will be APIS members and will be included in the anticipated agreement mentioned above.</li> </ul>
<b>Activity 2.2</b>	<b>Strengthen commercial brands in the local market</b>	Planned for next quarter
<b>Activity 2.3</b>	<b>Capacity building and marketing support for commercial brands in the local market</b>	<ul style="list-style-type: none"> <li>• In November 2013, LIVCD co-sponsored and participated in an episode of the TV program 'Al Hiwar al Iqtissadi' (The Economic Dialogue), presented by Mrs. Ghada</li> </ul>

	Provide support in developing promotional plans and materials, implementing activities, and upgrading packaging and labeling	<p>Ballout, on The Arab Woman Channel (AWC), and broadcast on Arab satellite channels. The show took place in the historic Rashaya citadel, and was attended by over 50 honey stakeholders throughout the country, including beekeepers, cooperatives, experts, and food specialists. The 55 minutes episode, entitled 'Honey, a Healthy Product and a High Potential Investment', featured a discussion between Hussein Kadamani, Manager of Jabal el Sheikh and key stakeholder in the value chain, and Nadine Chemali, LIVCD Marketing and Exports Manager and Honey Value Chain Leader, who presented LIVCD's work plan for honey, the importance of honey for rural economies, and its fundamental role in agriculture.</p> <ul style="list-style-type: none"> <li>• A co-investment with Kaddoum Honey is being prepared to increase revenues and improve access to market for at least 70 beekeepers in the area of Jbeil and Batroun by increasing sales through a joint product promotion.</li> </ul>
<b>Activities 2.4</b>	<b>Facilitate market linkages for beekeepers and cooperatives</b>	Planned for next quarter
<b>Activities 2.5</b>	<b>Capacity building for cooperatives and informal farmer groups with commercial brands</b>	A co-investment was approved to strengthen the Development Cooperative of Jezzine and provide income-generating opportunities for small and medium scale farmers in the rural areas of Jezzine. The effort will also build capacity of the Cooperative in business and financial management, with an emphasis on effective marketing and sales and business management. Through the Cooperative, LIVCD will provide additional support in management for beneficiary micro-enterprises, encouraging the farmers to reinvest income to maintain or expand operations. Egg producers will also benefit from the Cooperative's updated technical assistance capabilities, and receive training in production techniques. In December, LIVCD developed the capacity building plan.
<b>Activity 2.6</b>	<b>Facilitate sources of investment finance, including foundations and microfinance providers to put together "beekeeper finance packages" that can be used to spur investment particularly in underserved areas</b>	Kaddoum showed high interest in implementing ISO 22000, and LIVCD assessed the factory and recommended hiring a quality manager to be in charge of implementation in the packing house. In addition LIVCD set a training plan and conducted progress reports and visits for document control, technical guidance, and training for the newly employed Quality Manager. Kaddoum is currently assessing the cost of implementation of the ISO 22000 and will respond regarding his final decision.
<b>Activity 2.7</b>	<b>Support implementing a quality and safety seal: ISO 22000</b>	Planned for next quarter
<b>Axis 3</b>	<b>Supporting Lebanese honey exports</b>	

<b>Activity 3.1</b>	<p><b>Facilitate developing needed testing capacity for export market tests in Lebanese honey laboratories</b></p> <p>Identify testing laboratories such as QCC, IRI, LARI, and Chambers of Commerce</p> <p>Engage with honey testing laboratories to upgrade capacity so that facilities can test for antibiotics and pesticides residues to the level of precision required by European and other markets</p> <p>Professionalize marketing plans of exporters who have the potential to export in sufficient quantities</p>	<p>Following the laboratories survey, LIVCD revealed that many important tests relative to LIVCD value chains are not yet available in Lebanon. In the case of honey, residues and antibiotics tests are not available. Most of these labs are accredited for their microbiological departments and they are currently working to gain accreditation on the other tests.</p>
<b>Activity 3.2</b>	<p><b>Market Intelligence: Analyze export market opportunities In the identified target markets and study consumer demands for different high added-value products that processors have the ability to competitively produce</b></p>	<p>Planned for next quarter</p>
<b>Activity 3.3</b>	<p><b>Upgrade product specifications</b></p> <p>Identify product specifications to meet market opportunities and demand</p> <p>Identify processors willing to upgrade products and support them in developing new products that meet market demand</p> <p>Upgrade packaging and labeling to meet market requirements</p>	<p>LIVCD signed a purchase order with Libanpack to develop labels, branding, and packaging of several products related to different value chains. LIVCD received requests for packaging upgrades from Nahida at the Metn el Aala Cooperative and will link her to Libanpack to develop a new label.</p>
<b>Activity 3.4</b>	<p><b>Marketing support in export market</b></p> <p>Facilitate support in developing promotional plans and materials and implement promotional activities</p>	<p>Increasing Honey Exports and Supporting Beekeepers through a Joint Product Promotion: The assessment phase results reflected that the main actors in the honey value chain are two main brands, Jibal el Sheikh, produced by Jibal Loubnan and Kaddoum, produced by Kaddoum Company. Both brands purchase honey from smaller beekeepers to acquire quantities needed for their sales. Therefore any increase in exports or sales in the local market for these two brands will upgrade the entire value chain, engaging and benefiting smaller beekeepers and increasing their income.</p> <p>LIVCD and Mr. Hussein Kadamani, from Jibal Loubnan, signed a co-investment for a</p>

		<p>joint product promotion on December 20<sup>th</sup>, 2013 to initiate work on the project. The first shipment of 4.95 tons of honey for a value of \$57,420, to the U.S. took place during the last week of December, while the remaining volume will be sent in 2014 through several shipments. LIVCD plans to organize an official signing ceremony to launch the project in January 2014. The co-investment will result in increasing income and improving access to market for at least 75 beekeepers in host communities especially Donnieh in the North, and Rachaya Al-Wadi, Bekaa. Key objectives of the co-investment include: 1) Facilitating honey production flow into export markets through improved linkages between commercial honey processors/exporters and small beekeepers; 2) Creating new sustainable markets in the UAE and U.S. for beekeepers in Lebanon; and 3) Supporting Lebanese honey exports.</p>
<b>Activity 3.5</b>	<b>Facilitate market linkages with importers</b>	Planned for next quarter



The 50 minutes episode on the Arab Woman Channel covered several topics related to honey, in addition to a documentary filmed in Rachaya.



The AFDC center in Qornayel aims to become fully equipped for ecotourism, beekeeping and food processing



### 2.1.8. RURAL BASKET

	Approved Work Plan activities	Status update for this quarter
Axis I	Increase sales and distribution at local and export markets	
Activity 1.1	Provide support for improved branding, packing, differentiation of products, and certification	Please refer to Activity 1.3
Activity 1.2	Support initiatives that link producers to end users (farmers markets, door to door sales, web based shops, fairs, and exhibitions)	Please refer to Communications section on the Christmas Bazar held at ABC Mall, Promenade Hotel, and Khoury Home, which allowed rural producers access end consumers
Activity 1.3	Facilitate market linkages between producers, traders, and processors	<ul style="list-style-type: none"> <li>• <b>Linking Thyme and Sumac Cooperatives in the South with a U.K. importer:</b> Since July, LIVCD has been coordinating with Wadih Takla from Equitable Gourmet, an importing company based in the U.K, to link the brand with local Lebanese producers. LIVCD and U.K. importer Wadih Takla reviewed the list of products of Atayeb el Rif and Jana al Ayadi Cooperatives. LIVCD also organized visits to three cooperatives in the South, in order to link Mr. Takla to thyme and sumac producers who could procure products of superior and consistent quality and taste. While visiting Harriss Cooperative for agro-food production, Bent Jbeil Cooperative for Food Processing, and Quawzah Cooperative, LIVCD collected samples and assessed the taste, packaging, and price of each of their products. Upon confirmation of a trial order, LIVCD is supporting</li> </ul>



		<p>the cooperatives in packaging improvements, as the current packaging is a simple nylon bag, while the U.K. market requires 80 gram or 250 gram jars. LIVCD will also be working on the nutrition facts.</p> <ul style="list-style-type: none"> <li>• <b>Biomass – Coop Jezzine PPP opportunity:</b> LIVCD held a meeting with Mr. Mario Massoud Business Development Manager at <b>Biomass</b>, to explore possibilities of collaboration to increase production of free range eggs for export markets and organic eggs for local and export market. Mr. Massoud would like to cooperate with the Jezzine Cooperative to buy its eggs; he offered to buy the organic eggs at fixed prices for a period of five years and will provide chickens and feed for the producers. Biomass has an opportunity to export organic and non-organic eggs to Kuwait and it is willing to invest in 10,000 chickens for organic production and around 3,000 for free range production. It already works with ten organic suppliers in Akkar, and is willing to expand by including Jezzine producers. Biomass can co-invest chickens, feed, technical training, and linkages with certification bodies, in exchange for buying all the production based on a long-term agreement. LIVCD will follow-up on this opportunity with both parties.</li> </ul>
<b>Activity 1.4</b>	<b>Conduct regional and national market study and strategy to identify and target niche markets and assist beneficiaries to continue performing market analysis</b>	<p>Planned for next quarter LIVCD initiated a market study ‘Assessing Market Potential of Select Rural Products in Health/Specialty Shops, Nutrition/Diet Centers, and Caterers throughout Lebanon’, conducted by Key Development Services in order to 1) assess demand for the selected items (organic and non-organic), and where there is demand, assess quality standards and terms of sale, including packaging, labeling, payment terms 2) assess the possibility of linking these specialized distribution channels with rural producers. With the end target being to improve sales of COOPs and small producers that produce local food that falls within the “health and specialty” market segment. Concerned products are : fresh juice; honey; zaatar; pine nuts; free range or baladi eggs; capers; molasses; jams; infused water (rose and orange blossom); makdous; apple chips; olive oil; and other trendy items.</p>
<b>Activity 1.5</b>	<b>Develop/adopt a seal of quality and origin including developing related standards for specific items in the basket and promote the seal locally and internationally</b>	Planned for the next quarters
<b>Activity 1.6</b>	<b>Develop new processed products based on different basket items in conjunction with</b>	Planned for next quarter

	<b>LIVCD's processed food value chain</b>	
<b>Axis 2</b>	<b>Provide institutional and technical training for identified actors</b>	
<b>Activity 2.1</b>	<b>Identify technical training needs for upgrading production for the different basket items selected</b>	Through the three grants to LOST, Akkarouna, and North LEDA, LIVCD provided training on free range eggs production.
<b>Activity 2.2</b>	<b>Identify institutional training needs</b> Train processors, cooperatives, aggregators, and distributors on management, financial, and manufacturing practices; marketing, sales and distribution; branding and product differentiation; and accessing financial services	<b>Strengthen the development of Jezzine Cooperative and provide income-generating opportunities for small and medium scale farmers:</b> This quarter, LIVCD initiated a co-investment with the Jezzine Cooperative aiming at supporting 80 farmers for honey and free-range egg production to be sold and marketed through the Cooperative. In addition, LIVCD will support building the Cooperative's capacity to sustainably and effectively meet the needs of its members in terms of marketing and production services. Beekeepers will also receive honey training. This activity relates to the Rural Basket and the Honey value chains.
<b>Axis 3</b>	<b>Develop a sustainable mechanism to insure easy access to finance and needed inputs</b>	
<b>Activity 3.1</b>	<b>Facilitate access to finance for investment needed to develop downstream and upstream activities</b>	<ul style="list-style-type: none"> <li>• <b>Thyme distribution grant of 65,200 plants to 326 beneficiaries in Chadra (readjusted proposal):</b> From December 2013, implementing partner Chadra Cooperative produced new thyme and distributed 14,000 seedlings to 70 identified beneficiaries in Rammah, Aydamoun, Chadra, and Qobayat, with each of the beneficiaries receiving 200 seedlings. LIVCD is following the thyme production and collaborating with municipalities to identify beneficiaries for further distribution in the coming quarter, until August 2014.</li> <li>• <b>Distributing 6,000 chickens to 200 underprivileged Lebanese families in Northern Bekaa Baalbeck /Hermel:</b> Implementing partner LOST shared positive results in its latest report. Chickens are laying between 12 and 22 eggs daily in Baalbeck, Hermel, and Al Ain. LIVCD is closely monitoring the egg production and the health of the chickens during the winter season. LOST is tackling the issue by maintaining good feed quality to maximize the chickens' productivity. LIVCD is also in discussion with LOST about the creation of a cooperative of egg producers to provide the opportunity to formalize their marketing and sales.</li> <li>• <b>Distributing 4,000 chickens to 100 underprivileged Lebanese families in Akkar (Wadi Khaled and Dreib):</b> This grant was signed on October 21<sup>st</sup>.</li> </ul>

		<p>During the first month, implementing partner Akkarouna focused on visiting the targeted villages, meeting with key stakeholders and identifying 100 beneficiaries from the following villages: Rajem Khalaf, Rajem Hussein, Noura, Bireh, Kashlak, and Amar el-Beiket, that all received training on how to raise chickens and manage coops. Akkarouna distributed the chickens at the end of November. In parallel, the marketing advisor will be working on identifying retail shops and other outlets to sell produced eggs.</p> <ul style="list-style-type: none"> <li>• Distributing 4,000 chickens to 140 underprivileged Lebanese families in Akkar: According to implementing partner NORTH LEDA's reports, the total eggs sold is 24% of the total produced, leading to an average revenue of LBP 50,000 in the villages combined, the remaining eggs being used for household consumption and reinforcing Food Security in this region. To support the chicken farmers, LIVCD contracted the services of Healthy Animal Center -HAC who visited all beneficiaries and provided technical supervision. HAC identified 48 chicken farmers who can benefit from extension services and marketing support as they have the interest to follow-up on the enterprise to generate eggs to be sold locally. Some exceptional stories were highlighted, such as Elie Abdo, a blind chicken farmer in Qobayat who takes care himself of the chickens and sells locally the produced eggs.</li> </ul>
<b>Activity 3.2</b>	<b>Develop accounting templates and feasibility studies for small producers to be able to use for loan submission and accounting registration</b>	<b>Planned for next quarter</b>
<b>Activity 3.3</b>	<b>Develop a system for collective purchase of services and inputs</b>	<b>Planned for next quarter</b>
<b>Axis 4</b>	<b>Identify committed producers, collectors, and distributors to initiate an integrated approach leading to defining the basket items and building the value chain based on local specialty and market potential</b>	
<b>Activity 4.1</b>	<b>Identify interested and committed producers, collectors, and distributors in different geographic areas</b>	LIVCD has met with Jezzine Pine Nuts Cooperative and Adonis Valley, which produces zaatar, capers, molasses and other items of the rural basket, to identify potential collaboration in increasing the quantity and quality of their production and their sales level. LIVCD will follow up on these opportunities next quarter.

<b>Activity 4.2</b>	<b>Conduct stakeholder meetings to define the basket items, in addition to oregano and egg production</b>	<b>Planned for next quarter based on the above potential collaboration with identified producers</b>
<b>Activity 4.3</b>	<b>Conduct stakeholders meetings to set roles, responsibilities, and objectives</b>	<b>Planned for next quarter</b>
<b>Activity 4.4</b>	<b>Train different actors in capacity building</b>	<b>Planned for next quarter</b>



In Akkar, LIVCD through the Chadra Cooperative started distributing 65,200 thyme seedlings to 326 families



Free range chicken farmer in Baalbeck selling his eggs



Social Impact visited LIVCD's projects in Akkar and Baalbeck and discussed the project with several beneficiaries

In Shmostar, Baalbeck, chicken productivity is high and allowed households receiving an average additional monthly income of \$60

## 2.1.9. RURAL TOURISM

	Approved Work Plan activities	Status update for this quarter
<b>Axis I</b>	<b>Support stakeholders in the rural tourism value chain to design a national strategy and action plan and advocate for its implementation (increase demand); Implement some key elements of the action plan</b>	
<b>Activity 1.1</b>	<b>Develop and implement a rural tourism national strategy and action plan draft and empower stakeholders to advocate for its implementation</b> Facilitate the development of the national strategy and action plan by the national working group Support stakeholders to advocate for public /private, recognition and support of the strategy Implement the strategy through partnerships and co-investments of prioritized elements of the national action plan	LIVCD subcontracted Hospitality Services and Beyond Beirut to develop a national road map. The scope of work includes organizing two national workshops, 10 regional and thematic focus groups, stakeholders consultation through interviews and public consultation, as well as drafting a national road map, including policy recommendations, implementation recommendations to LIVCD, and a marketing strategy.
<b>Activity 1.2</b>	<b>Implement a national marketing campaign</b> Develop a national marketing campaign for rural tourism in Lebanon Support implementing the marketing campaign through partnerships and co-investments	LIVCD contracted Hospitality Services and Beyond Beirut to support the organization of a five day national fair promoting rural tourism within the annual Garden Show event in May 2014. LIVCD will also develop an interactive website for the Lebanon Traveler Magazine and will support printing additional issues of the magazine.
<b>Axis 2</b>	<b>Create synergies within the rural tourism</b>	

	value chain	
<b>Activity 2.1</b>	<b>Create synergies and encourage collective action at the local level, through the development and implementation of local strategies and actions plans</b>	
Task 2.1.1	Support the development of regional level rural tourism strategies and action plans	<p>LIVCD provided support to municipalities and local communities in several localities, including Hadath El-Jebbeh, Rashaya al Fokhar, Hammana, Rashaya al-Wadi, and Baskinta:</p> <ul style="list-style-type: none"> <li>• LIVCD and Hadath el Jebbeh Municipality signed a Development Agreement in August 2013. LIVCD's expert Dr. Jad Abou Arrage finalized the Hadath el Jebbeh Rural Tourism Strategy and Action Plan, to be shared among local residents, stakeholders, and diaspora for consultation and feedback. The report contains an assessment of the region's socio-economic profile and the evolution and current situation of tourism, as well as a set of recommendations for the rural tourism development plan, including market positioning, strategic proposed actions and projects, and priorities. LIVCD prepared this strategy in a participatory way in coordination with the municipality and through consultation with the village's stakeholders represented by key people and organizations. LIVCD used qualitative methods, such as key stakeholders interviews and focus groups, field assessments, and desk study. In January, a public meeting will take place to initiate the implementation phase of rural tourism projects in Hadath al Jebbeh.</li> </ul>
Task 2.1.2	Facilitate Implementing elements of the regional strategies through partnerships and co-investments	<p>LIVCD finalized two co-investment proposals related to winter activities, focusing on youth and women:</p> <ul style="list-style-type: none"> <li>• Auberge Beity Association proposed to diversify winter sport activities by introducing cross-country skiing in Kfardebiane. There are no cross-country skiing certified trails and monitors in Lebanon. The project will work in close cooperation with the Municipality of Kfardebiane and the Lebanese Ski Federation to design the trails and certify monitors.</li> <li>• Ehmej Development Association (EDA) proposed to capitalize on previous efforts undertaken by EDA and the Municipality to develop winter activities. It will also link Ehmej to the Lebanon Mountain Trail and has an important marketing and promotion component.</li> </ul> <p><b>Potential collaborations</b></p>

		<ul style="list-style-type: none"> <li>• Baskinta Beytouna Organization (BBO) and Jabal Moussa Association to design potential interventions to facilitate stakeholders' development of a project that would increase the competitiveness of rural tourism destinations and generate income in rural areas.</li> <li>• AFDC - Association for Forest Development and Conservation in Qornayel branch that includes 30 members of which 16 are women is active in issues related to reforestation, forest protection against excessive construction and fires, ecotourism and food processing activities. Fourteen villages from the regions actively promote awareness and responsibility within schools. AFDC aims to have a fully equipped center for ecotourism.</li> <li>• AUB and Food Heritage Foundation for the development of food trails and hospitality services with small scale producers. 1) The supply side: creating tourism activities and packages based on food trails, including the creation of on-farm or "on-cooperative" hospitality services "tables d'hôtes"; 2) increasing quality of products offered and created to meet quality and safety standards, through training, workshops, and on-the-job coaching; and 3) on the demand side, initiate a marketing campaign for tourism products. Considered regions are the Chouf and West Bekaa.</li> <li>• LIVCD is considering a potential co-investment in Deir Al-Ahmar, Barqa and Yammoune region to develop common activities and investment aiming at increasing the competitiveness of the local rural tourism network. LIVCD organized three separate meetings and visited the region to discuss potential with WADA women's cooperative (Deir Al-Ahmar), Akoury Organic Farm (Chlifa), and Yammoune Cultural Club, and a meeting with Juniper Kingdom Association is planned. LIVCD held a stakeholder's focus group to investigate the possibility of creating a PPP that might include co-investments in camping sites, open air event venues, development of a local flora museum, creation of biking and hiking trails, as well as capacity building and marketing components.</li> <li>• LIVCD also worked on the Jezzine committee in order to plan for the Jezzine summer season and will pursue this activity in the next quarter.</li> </ul>
<b>Activity 2.2</b>	<b>Support synergies and collective action between national level leading stakeholders, including: Dhiabee Network, LMT, Beyond Beirut, tour operators, and NGOs</b>	Planned for next quarter



Axis 3	Support upgrading local actors and increase the quality and quantity of products and services	
<b>Activity 3.1</b>	<p><b>Provide business and ancillary services support to increase the quality and quantity of products and introduce new products to businesses integrated or willing to integrate rural tourism networks</b></p> <p>Provide business and ancillary services support to craftsmen and artisans. Provide support to agribusinesses, including - and not limited to - traditional and local food cooperatives or farmers willing to introduce on-farm accommodation. Provide support to hospitality businesses through partnerships and co-investments</p>	<ul style="list-style-type: none"> <li>• LIVCD subcontracted ANERA to implement support to hospitality services activity through: 1) Developing standards for rural hospitality services in Lebanon, 2) undertaking a gap analysis between the current situation and the developed standards; 3) developing a standards handbook; 4) organizing training for local businesses; 5) setting up an institutionalized rural hospitality business network.</li> <li>• Enhance the Economic Status of Women in North Lebanon grant: LIVCD completed six-day training courses, related to accessories, needle work, soap making, and soap decoration skills, as well as distributing tool kits with materials and equipment to 120 women in Batroun, Koura, and Donnieh. LIVCD delivered certificates of attendance during ceremonies which took place in September and October and worked on assisting the participants in displaying their products to increase their sales during events and exhibitions. (see Communications section of the work plan)</li> </ul>
<b>Activity 3.2</b>	<p><b>Provide institutional capacity building training, coaching, and technical assistance training to businesses integrated or willing to integrate rural tourism network</b></p>	Planned for next quarter



LIVCD COP hands the certificate to Joyce during the ceremony in Bkeftine





The cross country ski trails developed with Auberge Beity will begin close to the ski lifts



Focus group with women in Hadath al Jebbeh as part of the local rural tourism strategy

## 2.1.11 STONE FRUITS: AVOCADOS AND CHERRIES

### AVOCADOS

	Approved Work plan Activities	Status update for this quarter
<b>Axis 1</b>	<b>Increase exports to select markets</b>	
<b>Activity 1.1</b>	<b>Facilitate access to market intelligence and analysis for value chain actors through private sector organizations</b>	Planned for next quarter
<b>Activity 1.2</b>	<b>Develop business and market linkages between growers and exporters</b>	Planned for next quarter
<b>Activity 1.3</b>	<b>Develop market linkages between exporters and importers</b>	Planned for next quarter
<b>Activity 1.4</b>	<b>Facilitate support for developing promotional materials for Lebanese avocados</b>	Planned for next quarter
<b>Axis 2</b>	<b>Increase quantity and improve quality of avocado production</b>	
<b>Activity 2.1</b>	<b>Provide potential co-investors with advice on suitability, marketability, and profitability of</b>	<ul style="list-style-type: none"> <li>LIVCD received a <b>proposal for avocados submitted by the Hariri Foundation</b>, for upgrading existing orchards and encouraging the establishment of</li> </ul>

	<p><b>planned avocado investments</b></p> <p>Develop investment prospectus and feasibility study models and disseminate to interested investors Assist potential investors with specific investment plans in order to improve access to finance through Project co-investment, banks, MFIs, or government programs like Kafalat</p>	<p>new orchards in South and North Lebanon. Through the proposal, the Hariri Foundation offers avocado farmers continuous technical assistance, and the availability of verified, disease free avocado plants at affordable prices.</p> <ul style="list-style-type: none"> <li>• LIVCD received expressions of interest from investors in new avocados orchards in Gebrayel, Akkar, and in Chouit, Metn. LIVCD started preparing the feasibility study for these potential investors. In addition, LIVCD received an expression of interest from Dr. Abdel Hamid Hashisho, in Wadi Baakoudeen, South Lebanon, who plans on planting 10 dunums of land with avocado trees. The land is currently being prepared, and Dr. Hashisho requests LIVCD's assistance to install the irrigation system, choose the best varieties to plant that will adapt to the type of soil, and other good agriculture practices. LIVCD will evaluate this co-investment project, with a feasibility study including budget and costing, to assess the potential of collaboration for technical assistance, packaging, and marketing.</li> </ul>
<b>Activity 2.2</b>	<p><b>Training on improved production practices for better productivity</b></p> <p>Assess current state of production and develop gap analysis on current best practices Develop training/extension materials and provide training for enrolled producers Link trained producers with other stakeholders as necessary</p>	<p><b>Technical assistance to avocado producers:</b> LIVCD assessed producers' needs in Bisri, Chouf and Chouit, Mount Lebanon, and started organizing technical training on grafting for all the region's farmers in January and plans on providing additional technical assistance especially in orchard management. LIVCD's avocado expert STTA Mohammad Hijazi is drafting a training manual with a technical and scientific curriculum addressing all production levels of avocados including orchard establishment, technical practices, seedling selection, harvesting, and post-harvest practices, focusing on technical practices to increase productivity and cultivating new emerging varieties.</p>
<b>Activity 2.3</b>	<p><b>Organize fragmented producers into production clusters and link them to aggregators</b></p>	<p>LIVCD is identifying beneficiaries in several regions to provide and technical assistance. LIVCD has divided the farmers in six groups.</p>
<b>Axis 3</b>	<b>Increase avocado processing</b>	
<b>Activity 3.1</b>	<p><b>Establish market for avocado oil with support from the private sector, universities, or subcontractors</b></p>	<p>Planned for next quarter, based on potential collaboration with the AUB Faculty of Agriculture and Food Sciences.</p>



LIVCD visited several avocado orchards to initiate a technical assistance program in January 2014

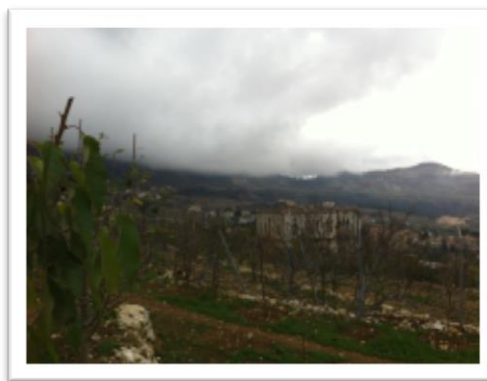


Mr. Roger Toubiyya from Eddeh-Batroun owns a two dunum land planted with avocado.

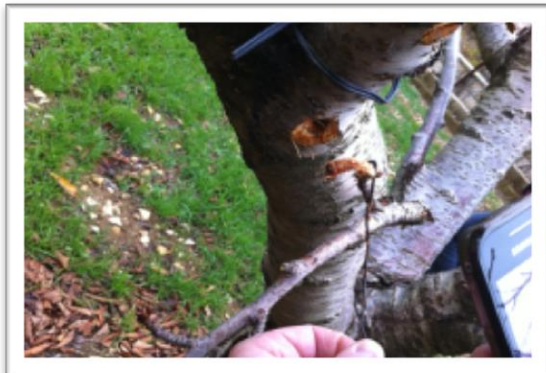
## CHERRIES

	Approved Work plan Activities	Status update for this quarter
<b>Axis 1</b>	<b>Increase exports</b>	
<b>Activity 1.2</b>	<b>Conduct stakeholder meetings</b>	Planned for next quarter
<b>Axis 2</b>	<b>Increase efficiency of sorting, packing, cooling, and processing facilities</b>	Planned for the upcoming quarters
<b>Axis 3</b>	<b>Increase the quantity and quality of cherry production in Lebanon</b>	
<b>Activity 3.1</b>	<b>Establish demonstration orchards in major cherry production areas (Dinnieh, Akkar, Tannourine, Akoura, Chouf, and Western Bekaa)</b>	LIVCD is preparing two agreements with land owners for demonstration plots in Hammana and Qaa el Rim.
<b>Activity 3.2</b>	<b>Introduce new tree varieties into the established demonstration plots based on market demand through selected partners who will manage the demonstration plots beyond the life of the Project</b>	Planned for next quarter
<b>Activity 3.3</b>	<b>Organize farmer study tours to</b>	

	demonstration plots to see the establishment and structure of the orchards	
Activity3.4	Develop training curriculum and conduct training on irrigation and fertigation techniques, appropriate pruning for existing and newly introduced varieties, and appropriate harvesting techniques	<p><b>Training curriculum:</b> LIVCD expert Ghassan Feghali prepared the curriculum for the training which will be conducted in the next quarter.</p> <p><b>Technical assistance to cherry producers:</b></p> <ul style="list-style-type: none"> <li>• LIVCD supported cherry producers in Hammana, Jdita and Qaa el Rim, through a rapid intervention to protect their orchards. Through previous visits, LIVCD acknowledged a high and rapid mortality rate in the trees, and the producers lack of technical knowledge to properly eradicate diseases and address issues such as excess water in the field, proper and sufficient irrigation, and low productivity. . Following these visits, LIVCD's expert prepared a technical report with findings and recommendations for corrective actions and steps to address this urgent matter. The report took into consideration the regions' specificities in terms of climate, soil, water presence, and commonly encountered diseases. One of the producers, Dr. Imad, stated about this intervention: "I was happy to receive answers I was not able to get before." there is a great need to support these cherry farmers to heal their trees, which are threatened by diseases and face a high mortality rate."</li> <li>• LIVCD received a proposal for cherries targeting Aarsal, Bekaa where large fields with over two million cherry trees are planted. Local farmers are heavily affected by both the Syrian crisis and the bad conditions of the agricultural land, which affects the quality of harvested cherries. LIVCD will be assessing this proposal.</li> </ul>



In Jdita, LIVCD expert provided urgent assistance to eradicate emerging diseases



LIVCD's expert is extracting a worm which attacks cherry trees in Hammana.

In Hammana, cherry producers face a high mortality rate. LIVCD expert provided a full report relative to each of the regions' specificities, with a full set of recommendations to prevent diseases and implement good practices.

## 2.2 IMPLEMENTATION OF WORK PLAN ACTIVITIES IN CROSS CUTTING COMPONENTS

### 2.2.1. CROSS-CUTTING COMPONENT: ACCESS TO FINANCE

- Potential collaboration with BLC Bank: Following last quarter's meeting with BLC to discuss the possibility of future collaboration, the two parties drafted a Development Agreement sent to BLC on November 30, to extend access to finance to rural areas. LIVCD is awaiting approval from BLC.
- Potential collaboration with financial institutions: LIVCD held several meetings with banks, microfinance institutions, and Kafalat, to discuss facilitating access for MSMEs to financing sources available in Lebanon such as Kafalat, subsidized loans, and micro loans. LIVCD will pursue this activity in the coming quarter.
- Bookkeeping Manual for farmers: LIVCD is finalizing a manual to train farmers on maintaining accurate records of all transactions and calculating revenues and expenses.

### 2.2.2. CROSS-CUTTING COMPONENT: CAPACITY BUILDING

- LIVCD's Institutional Capacity Building component plans on building the capacity of about 150 NGOs during the life of the project. LIVCD finalized the preparation of a reference material, tested through three pilot sessions to receive feedback. The manual is currently being translated into Arabic. LIVCD will plan future training by drawing from a menu of common training elements and designing a customized training package for each NGO.
- LIVCD received a draft of the **gender assessment** which aims at considering the different roles, needs, and perceptions of women and men in agricultural and other related economic development projects, in addition to taking into account the gender based constraints that women face, particularly the factors that limit their participation in project development, implementation, and management and access to services and resources. LIVCD is reviewing the draft and will submit the final report to USAID.
- In addition, technical trainings are planned within the different value chains' work plan.
- On November 25th, LIVCD hosted a meeting between Microsoft's representatives Jeffrey Michael Avina, Regional Director Citizenship and Community affairs Middle East & Africa, Hoda Younan, Country Manager Lebanon and NEPA New Markets, Elie Sleiman, Corporate Account Executive, and Nadine Andraos, Facilities Manager, in addition to several USAID funded project representatives. Microsoft explained their



plan to offer free software along with IT training to NGOs and cooperatives, and received an introduction to the different projects that USAID funds in Lebanon, including LIVCD, LIM, and LRI. Following this introductory meeting, Microsoft will be launching a portal in Lebanon facilitating its assistance to customers, and will contact each project to assess their needs and ways of implementing IT solutions.

### 2.2.3. CROSS-CUTTING COMPONENT: COMMUNICATIONS

This component allows raising public awareness on LIVCD projects and value chain activities within USAID and the larger development community, communicating to value chain actors about opportunities for investment and marketing, and supporting promotion and sales of LIVCD products in value chains.

- Following the handicraft training through a grant supporting 120 women from North Lebanon, LIVCD co-financed the participation of implementing partner Atayeb el Rif Cooperative in a number of events during the period from October to December 2013. The first promotional event took place at the Promenade Hotel, where beneficiaries had the opportunity to sell products to consumers and received promising feedback based on the public's interest in many of the products. During the holiday season and starting December 5th, Atayeb el Rif displayed and sold products at the Khoury Home Christmas fair, as well as the ABC Achrafieh Christmas Fair. The products include handicrafts, olive oil, honey, and processed foods procured from several cooperatives from

across the country, such as B-Balady in Jezzine, Dar Bechtar Olive Cooperative in Koura, and also included handicrafts prepared by the women who benefited from the LIVCD grant in North Lebanon. Feedback was particularly positive in ABC, but the impact less than anticipated at Khoury Home, due to a problem with positioning of the stands that allowed diminished traffic and visibility. The total sales were as follows by the end of December: U.S. Embassy Christmas



The ABC Achrafieh stand, branded with USAID logo, is well positioned and attracts customers to buy the 'Lebanese Villages' products



Atayeb el Rif sold about \$435 of products at the US Embassy on December 6, and received an order of \$1,075 of products.

bazaar; Promenade Hotel event; Khoury Home Christmas Kiosks; ABC Achrafieh Christmas fair; Christmas gifts ordered.

- Last quarter, LIVCD published a RFP for packaging and labelling which will allow Lebanese small and medium enterprises to develop packaging and products adapted to both domestic and export markets, which was awarded to Libanpack. LIVCD and Libanpack started assisting several cooperatives such as the Der Bechtar Olive Oil Cooperative and Metn el Aala Honey Cooperative who wish to upgrade their visual identity and develop promotional tools.
- In addition, LIVCD has submitted a request for a project website to USAID, which will allow disseminating information such as announcements for events, exchanging documents and information on specific topics related to the value chains between the project stakeholders in different regions across Lebanon, sharing best practices, and communicating opportunities to potential partners.



USAID Administrator Rajiv Shah discussed with LIVCD project's beneficiaries, who were exhibiting and promoting their products in an exhibition in Promenade Hotel in Zalka



Future TV reported on the visit while touring the exhibition and interviewing beneficiaries

## 2.2.4. CROSS-CUTTING COMPONENT: MARKET INTELLIGENCE

### • **Market Studies in target value chains:**

LIVCD finalized a market study of the processed food sector in the GCC countries that identified opportunities for improving and increasing exports and sales to the GCC, while benefiting Lebanese producers and processors. The author of the study presented his findings to SLFI board members Mounir Bissat, Raja Cortas, and Joe Fares, and will prepare another meeting including their feedback on what is suitable for industrialists. The updated presentation will be presented for a larger audience of Lebanese food industrialists, with the objective of helping them understand the GCC market and the best ways to compete and gain market share.



Other market studies were completed, including: the ‘Floriculture Marketing analysis’ and a ‘Health and Specialty Store Market Assessment’, related to the rural basket value chain. In addition, the team plans on analyzing export potential to the U.S., U.K., and French market for several value chains.

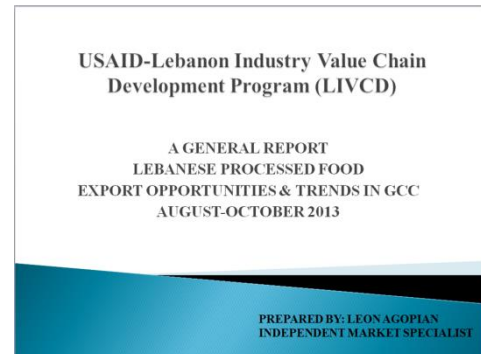
- **Developing a Sustainable Marketing Intelligence System:**

LIVCD is developing a Marketing Intelligence System to support actors in the target value chain in identifying opportunities and pursuing them using relevant, actionable information about target markets.

This quarter LIVCD identified and assessed existing marketing intelligence sources relevant to the target value chains to determine what information is available and at what cost. These included domestic sources such as the FCCIA, which provides information related to export procedures, and also administered the TADIER website although it is now being transitioned to LIBNOR for management and updating. Other public sources include CCFIAL, as well as international sources like USDA Market Watch, CBI); private sources include the Produce Market Association and Nielson.

In parallel, LIVCD began identifying priority marketing intelligence needs for value chain actors, beginning with the Processed Foods value chain. This will help LIVCD focus the system around information that is highly relevant to users. For example, LIVCD initiated a rapid assessment of marketing intelligence needs in the Processed Foods value chain to determine what marketing intelligence is important to actors, how value chain actors currently obtain marketing intelligence, and the potential demand for existing or new marketing intelligence services and products.

Next quarter LIVCD will establish a Marketing Intelligence System for the target value chains, comprised of relevant marketing intelligence sources, and analysis and information products for value chain actors, in collaboration with a business service provider (e.g., in the Processed Foods value chain LIVCD is exploring collaboration with the SLFI). LIVCD will use the system to support marketing technical assistance to value chain stakeholders, testing effectiveness of the marketing intelligence, and support the business service provider identify and offer appropriate marketing intelligence service and products.



The market study on the processed food sector in the GCC countries identified opportunities for improving and increasing exports and sales to the GCC

### 2.2.5. MONITORING AND EVALUATION

Monitoring & Evaluation - LIVCD performance indicators and the Performance Monitoring Plan (M&E Plan): Following submission of the LIVCD M&E Plan on September 9, 2013, LIVCD received comments and guidance from PMPL and USAID. LIVCD revised the M&E Plan accordingly and developed the annual and life of project targets for each performance indicator. LIVCD submitted the final version of the M&E Plan, including targets for each indicator, to USAID on December 31, 2013 and received final approval of the plan on January 13<sup>th</sup>.

In parallel, the M&E team developed and tested data collection and management forms per the M&E Plan, and provided training to the LIVCD field staff that have begun data collection for ongoing activities.

Additionally, the M&E team contributed to developing a number of grants and co-investments this quarter. For each grant, the M&E Team develops a grant-specific monitoring & evaluation plan including indicators to monitor progress towards achieving the grant objectives and contributions to LIVCD objectives. The M&E Team also contributes to the grant selection criteria by ensuring that the activity is in line with LIVCD objectives and the overall Project scope of work.

In the next quarter, efforts will focus on establishing life of project and interim (annual) performance targets; customizing tools for data collection and management; collecting baseline data; and customizing the TAMIS database for work plan management and M&E data.

### 2.2.6. ENVIRONMENTAL COMPLIANCE AND MANAGEMENT

**Environmental Compliance:** The Pesticides Evaluation Report and Safe Use Action Plan (PERSUAP) was completed and submitted to USAID. The PERSUAP addresses current legislation from the Environmental Protection Agency (EPA) and regulations in Lebanon. The PERSUAP will be used as a reference document to determine which pesticides are allowed or prohibited under the project and in developing crop- and pest-specific IPM-based Pest Management Plans (PMPs). LIVCD will update the PERSUAP at least once a year.

Several training on PERSUAP will be scheduled to keep the staff and the farmers updated on pesticide use. Also, an environmental manual is currently being developed, which will include a comprehensive framework for the mitigation of the project's activities.

## 2.0 PROJECT OVERVIEW

The table below provides a progress overview of the major indicators for the project.

LIVCD Indicators Performance Tracking Table - IPTT					FY2014					
RF reference	Indicator Title (with Disaggregation)	Disaggregation	Baseline	Oct/Dec 2013 Y2Q1	Jan/ Mar 2014 Y2 Q2	Apr/ June 2014 Y2Q3	Jul/ Sep 2014 Y2 Q4	Actual Y2	Target Y2	
DO 2	Number of MSMEs, including farmers, and other organizations receiving business development services from USG assisted sources - <b>Quarterly</b> - (custom) based on FtF 4.5.2-37 (S)		0	574				578	2,550	
	MSME Size	Micro (1-5)	0	561					383	
	MSME Size	Small (6-50)	0	13					1,913	
	MSME Size	Medium (51-100)	0	0					255	
DO 2	Value of exports of targeted agricultural commodities as a result of USG assistance - <b>Annually</b> - FtF 4.5.2-36 (S)		TBD	N/A					10%	
DO 2	Value of incremental sales (collected at farm-level for small holders and firm-level for MSMEs) attributed to FtF implementation - <b>Annually</b> - (custom) based on FtF 4.5.2-23		TBD	N/A					10%	
DO 2	Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment) - <b>Quarterly</b> - "F" GNDR-2 (S)		0	23%				23%	10%	
	Value Chain			133						
DO 2	Number of jobs impacted by LIVCD implementation - <b>Quarterly</b> - (custom) based of FtF 4.5.2.(S)		0	35				35	500	
	Jobs impacted converted to full-time equivalents (FTE)			7						
	Number of export markets, or distribution channels for selected products accessed as a result of USG assistance - <b>Quarterly</b> - LIVCD Custom Indicator		0	11				11	13	
	Value Chain		0						13	
		Pome Fruit	0	0					1	
		Stone Fruit-Avocados	0	0					1	
		Stone Fruit-Cherry	0	0					1	
		Olive Oil	0	1					1	
		Honey	0	10					1	
		Grapes	0	0					2	
		Processed Foods	0	0					3	
		Rural Basket	0	0						

		Rural Tourism	0	0				0
		Floriculture	0	0				2
	Number of MSMEs, including farmers, benefiting from <u>new</u> horizontal & vertical linkages - <b>Quarterly</b> - LIVCD Custom Indicator		0	53			53	390
	MSME Size	Micro (1-5)	0	51				59
	MSME Size	Small (6-50)	0	2				293
	MSME Size	Medium (51-100)	0	0				39
DO2 IR 2.2	Gross margin per hectare, animal or cage of selected product - <b>Annually</b> - FtF 4.5-16,17,18		TBD	N/A				10%
DO 2IR 2.2	Number of farmers and others who have applied improved technologies or management practices as a result of USG assistance - <b>Quarterly</b> - FtF 4.5.2-5		0	232			232	1,650
	Duration	New	0	232				660
	Duration	Continuing	0	0				990
DO 2 IR 2.2	Number of private enterprises, producers organizations, water users associations, women's groups, trade and business associations and community-based organizations (CBOs) that applied improved technologies or management practices as a result of USG assistance - <b>Quarterly</b> - FtF 4.5.2-42		0	10			10	80
	Type of organization		0	10				80
		Private enterprises	0	2				16
		Producers organization	0	7				16
		Water user assoc.	0					0
		Women's groups	0	1				12
		Trade & Business assoc.	0					16
		CBOs	0					20
DO 2 IR 2.2	Number of individuals who have received USG- supported short-term agricultural sector productivity or food security training - <b>Quarterly</b> - FtF 4.5.2-7		0	212			212	2,370
	Type of individual			212				
		Producers	0	207				1,659

		People in government	0	0					-
		People in private sector firms	0	0					284
		People in civil society	0	5					427
DO 2 IR 2.3	Number of public-private partnerships formed as a result of FtF assistance - <b>Quarterly</b> - FtF 4.5.2-12 (S)		0	10				10	100
	Partnership Focus (Primary focus)		0	10					100
DO 2 IR 2.3	Value of new private sector investment in the agriculture sector or food chain leveraged by FtF implementation - <b>Quarterly</b> - FtF 4.5.2-38		0	\$ 190,748				\$190,748	USD 900,000
DO 2 IR 2.3	Number of MSMEs, including farmers, assisted by USG to apply for value chain finance - <b>Quarterly</b> - LIVCD Custom Indicator		0	10				10	150
	MSME Size	Micro (1-5)	0	0					23
	MSME Size	Small (6-50)	0	10					113
	MSME Size	Medium (51-100)	0	0					15

# 2.0 CHALLENGES AND OPPORTUNITIES

## Challenges

- Many agricultural value chains employ a high level of non-Lebanese labor.
- Lebanese behavior and lack of responsibility towards public property in particular challenges the tourism value chain.
- LIVCD's inability to work with the Government results in lack of necessary support for some initiatives.
- The possibility to face export constraints due to regulations from the ministries and the Lebanese government.
- The difficulty in offering loans versus grants in some instances to local actors in the same rural communities (limited budget for grants).
- In all value chains, many marketing, export, and wholesale constraints appear, in particular the exporters' lack of experience and knowledge, and financial strength to develop export markets.
- Prospects for sales both to the domestic and export markets are best in fresh products for the highest quality levels that are challenging to meet due to the large number of fragmented producers and also the generally low volumes and multiplication of exporter/packers.
- Some resistance in traditional value chains (pome fruit) to changes in production and post-harvest, cold chain infrastructure.
- Lack of financial capacity of smaller farmers to self-finance production upgrading, poor quality and high priced planting material.
- The ongoing crisis in Syria is complicating future project implementation in the border towns and villages.
- The time needed for varieties to produce, in particular for trees crops, will delay impact beyond the project's lifetime.
- Overall security concerns could impact implementation and force LIVCD to work in limited locations.
- All GCC countries have very high listing fees, and processors cannot afford to pay these fees especially since the first order is usually a small trial order. Some countries have restrictions on Lebanese products, such as the UAE on poultry products.

## Opportunities

- The project built a strong network of relationships, based on meetings conducted and the experience of LIVCD staff members. This large list of stakeholders will help to create partnerships and collaboration across the project.
- Several pilot projects showed positive results which can be replicated in other locations.
- A systematic approach building on USAID and other donors' projects will allow significant development of the value chains to a level not experienced previously.
- Possibility for new certifications and regulations that will permit Lebanese products to enter exports markets that were previously denied.
- The value chain work plans were built based on collaboration with stakeholders which will ensure adaptability to the value chain constraints and opportunities in addition to buy-in from key stakeholders.
- Possibility to obtain information from the Lebanese governmental institutions through project partners.
- The possibility to obtain immediate results and increased revenue through improving production practices and using new technologies such as pruning and irrigation.

## 3.0 HIGHLIGHTS FOR NEXT QUARTER'S ACTIVITIES

LIVCD will pursue the implementation of value chain activities, in particular:

- Identify new co-investment and partnership opportunities
- Pursue the implementation of value chain activities in Lebanese Communities affected by the Syrian conflict and initiate additional projects and/or extended areas. Identify geographic areas where impact will be the most significant.
- Consolidate, reinforce, and expand the network of partners built through contractual agreements, in order to implement value chain upgrading strategies.
- Implement the LIVCD M&E Plan through tracking, measuring, and reporting project attributable results.
- Initiate demonstration plots and facilitate farmer's access to these sites to learn new and improved technology that can be replicated and scaled up.
- Pursue the preparation of feasibility studies for several projects, including a quality and/or origin seal, a breeding center for honey, cold storage and milling facilities, and marketing studies in several export markets.

- Finalize training manuals and initiate both institutional and technical capacity building for project partners.
- Develop export market opportunities through new product development, market linkages, and upgrading the quality and packaging of existing products.

## 4.0 STAFF AND ORGANIZATION

This quarter, several **new staff members** joined the team regional offices of Tripoli, Zahle, Saida and Jezzine.